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Security Council Committee established pursuant to resolution 1718 (2006)

Note verbale dated 16 March 2017 from the Permanent Mission of Bulgaria to the United Nations addressed to the Chair of the Committee

The Permanent Mission of the Republic of Bulgaria to the United Nations presents its compliments to the Chair of the Security Council Committee established pursuant to resolution 1718 (2006) and, in accordance with paragraph 36 of Security Council resolution 2321 (2016), has the honour to present its report on measures taken by the Government of Bulgaria to implement the provisions of resolution 2321 (2016) (see annex).

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Annex to the note verbale dated 16 March 2017 from the Permanent Mission of Bulgaria to the United Nations addressed to the Chair of the Committee

Report of Bulgaria on the implementation of Security Council resolution 2321 (2016)

The Republic of Bulgaria has consistently undertaken appropriate measures to implement Security Council resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016) and 2321 (2016).

The Republic of Bulgaria was a co-sponsor of Security Council resolution 2321 (2016) and favours its quick implementation.

The Republic of Bulgaria and the other European Union member States have jointly implemented the additional restrictive measures against the Democratic People's Republic of Korea imposed by the Security Council in its resolution 2321 (2016) by taking the following common measures:[1]

- Council Decision 2016/2217 of 8 December 2016 amending Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's Republic of Korea, implementing the designation of additional persons and entities (travel ban and asset freeze)[2]
- Commission Implementing Regulation (EU) 2016/2215 of 8 December 2016 amending Council Regulation (EC) No. 329/2007 concerning restrictive measures against the Democratic People's Republic of Korea, in order to give effect to the asset freeze with regard to the newly designated persons and entities;[2]
- Council Decision (CFSP) 2017/345 of 27 February 2017[3] amending Council Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's Republic of Korea

Council Decision (CFSP) 2017/345 sets out the commitment of the European Union to implement all measures contained in Security Council resolution 2321 (2016) and provides the basis for accompanying measures specific to the European Union, within the scope of the resolution, notably:

- Trade ban applied on nuclear- and/or missile-usable items listed in annex III of Security Council resolution 2321 (2016)
- Trade ban on items contained in the new conventional arms dual-use list adopted by the Sanctions Committee pursuant to paragraph 7 of Security Council resolution 2321 (2016)
- Ban on all leasing, chartering or provision of crew services to vessels or aircraft of the Democratic People's Republic of Korea

[1] All common measures are published in the Official Journal of the European Union.
[2] *Official Journal of the European Union L 334*, 9 December 2016.
[3] *Official Journal of the European Union L 50*, 28 February 2017.

- Prohibition on registering vessels in the Democratic People's Republic of Korea, obtaining authorization for a vessel to use the flag of that country and owning, leasing, operating, providing vessel classification, certification or associated services or insuring a vessel flagged by the Democratic People's Republic of Korea
- Clarification that specialized teaching and training that could contribute to the proliferation-sensitive nuclear activities of the Democratic People's Republic of Korea or the development of nuclear weapons delivery systems can also include, but not be limited to, advanced materials science, advanced chemical engineering, advanced mechanical engineering, advanced electrical engineering and advanced industrial engineering
- Suspension of scientific and technical cooperation involving persons or groups who are officially sponsored by or represent the Democratic People's Republic of Korea, except in the case of medical exchanges. In the field of nuclear science and aerospace technology, exemptions can be granted by the Sanctions Committee when it has determined on a case-by-case basis that the activity will not contribute to illegal activities. For other fields of technical cooperation, the member State concerned can determine that the activity will not contribute to illegal activities and has to notify the Sanctions Committee in advance
- Attribution of the power to list vessels to the Sanctions Committee if it has information or reasonable grounds to believe that the vessels are involved in illegal activities. This includes the additional measures that could be imposed by the Sanctions Committee in this regard
- Restriction on admission to the European Union of members of Government and officials of the Democratic People's Republic of Korea and members of that country's armed forces who are associated with illicit activities
- Limitation on the number of bank accounts at banks in the European Union to one per diplomatic mission and consular post and one per accredited diplomat and consular officer of the Democratic People's Republic of Korea
- Prohibition on the Democratic People's Republic of Korea using real property that it owns or leases in the territory of a member State for any purpose other than diplomatic or consular activities, as well as on leasing real property from the Democratic People's Republic of Korea that is situated outside the territory of that country
- Prohibition of the provision of insurance or reinsurance services to vessels owned, controlled or operated, including through illicit means, by the Democratic People's Republic of Korea
- Prohibition on procuring vessel and aircraft crewing services from the Democratic People's Republic of Korea
- Obligation to deregister any vessel that is owned, controlled or operated by the Democratic People's Republic of Korea, including a prohibition on registering any such vessel that has been deregistered by another member State

- Extension of export prohibitions: the establishment of a new regime for the export ban on coal, including a cap on exemptions relating to total exports to all United Nations Member States. The power to determine the cap is attributed to the Sanctions Committee. The export ban is extended to include new items, namely statues, new helicopters and vessels, copper, nickel, silver and zinc

- Financial sector: imposition of an obligation to close existing representative offices, subsidiaries or banking accounts in the Democratic People's Republic of Korea within 90 days, unless approved by the Sanctions Committee on the grounds that the accounts are required for the delivery of humanitarian assistance or the activities of diplomatic missions

- Prohibition on providing public or private financial support, including granting export credits, guarantees or insurance to their nationals involved in such trade

- Obligation to expel persons who are working on behalf or at the direction of a Democratic People's Republic of Korea bank or financial institution, unless the presence of the person is required for fulfilment of a judicial process or exclusively for medical, safety or humanitarian purposes

- Obligation to seize and dispose of (such as through destruction, rendering inoperable or unusable, storage or transfer to a State other than the originating or destination State for disposal) items the supply, sale, transfer, or export of which is prohibited by Security Council resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016) or 2321 (2016) that are identified in inspections, in a manner that is not inconsistent with their obligations under applicable Security Council resolutions, including resolution 1540 (2004)

- The Sanctions Committee may grant exemptions to the aforementioned prohibitions on a case-by-case basis, including when it has determined that an exemption may facilitate the work of international and non-governmental organizations.

Council Regulation (EU) No. 2017/330 of 27 February 2017 amending Council Regulation (EC) No. 329/2007 concerning restrictive measures against the Democratic People's Republic of Korea[3] entered into force on 1 March 2017 and gives effect to the measures provided by Council Decision (CFSP) 2017/345 of 27 February 2017.[3]

Council regulations are binding in their entirety and directly applicable in the legal system of Bulgaria upon their publication in the *Official Journal of the European Union* and entry into force.

In addition to the common European Union measures, the Republic of Bulgaria has the following national legislation in force, requiring an authorization for the export, import, transfer, transport, passage, carriage transit and brokering of defence-related products and dual-use items and technologies, which together with European Union Common Position 2008/944/CFSP and Council Decision 2009/428, provide the basis for enforcement of the arms embargo against the Democratic People's Republic of Korea and the ban on related brokering services:

- Ordinance of the Council of Ministers (CoM) 91/2001 on the list of States and organizations against which the Republic of Bulgaria imposes a prohibition or

restrictions on the sale and deliveries of arms and related equipment, in compliance with resolutions of the Security Council, the European Union and the Organization for Security and Cooperation in Europe

- Ordinance (CoM) 3/2007 on the implementation of resolution 1718 (2006) and Common Position 2006/795/CFSP of the Council of the European Union, imposing sanctions on the Democratic People's Republic of Korea
- Defence-Related Products and Dual-Use Items and Technologies Export Control Act
- Ordinance (CoM) No. 144 of 16 June 2016 on the adoption of a list of defence-related products and a list of dual-use items and technologies subject to control at import
- List of specially empowered customs posts and offices for defence-related products and dual-use items and technologies
- Act on the Prohibition of Chemical Weapons and on Control of Toxic Chemicals and the Precursors thereof
- Ordinance (CoM) No. 16-437 of 4 May 2007 on the terms and conditions for the carrying out of activities with toxic chemical substances and their precursors
- Act on the Implementation of Council Regulation (EC) No. 1263/2005 concerning trade in certain goods that could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment
- The Criminal Code.

The Republic of Bulgaria is also a party to international treaties and conventions concerning the non-proliferation of weapons of mass destruction, including the Treaty on the Non-Proliferation of Nuclear Weapons, the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction, and the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction. Bulgaria is a participating State in all relevant multilateral export control regimes, namely the Wassenaar Arrangement, the Nuclear Suppliers Group, the Zangger Committee, the Australia Group, the Missile Technology Control Regime and The Hague Code of Conduct against Ballistic Missile Proliferation.

As regards restrictions on admission to the national territory, the Act on Foreigners in the Republic of Bulgaria, together with Council of the European Union Decision (CFSP) 2016/2217 and Regulation (EC) No. 539/2001, provides the basis for refusal of admission and rejection of visa applications.

The implementation of the catch-all control and inspections are carried out by Bulgarian Customs. Detailed administrative guidelines for customs officers are regularly issued.

Bulgarian Customs applies the European Union system of risk criteria in relation to goods entering and leaving the Union. Risk management is performed according to the standardized framework for risk management in the customs

administrations of the European Union. Risk profiles are created at high or medium risk level based on collected and analysed information. They serve as instruments of risk management at the operational level and impose mandatory inspections of all cargo within or transiting through the territory of Bulgaria that has originated in or is destined for the Democratic People's Republic of Korea, or is being transported on aircraft and vessels flagged, or in vehicles registered by, that country.

Bulgaria applies cash controls according to Regulation (EC) No. 1889/2005 of the European Parliament and of the Council of 26 October 2005 on controls of cash entering or leaving the Community. The provisions of the Currency Act are applicable at the national level. In addition, customs control is carried out on the basis of common risk indicators.

Since the date of adoption of resolution 2321 (2016), there have been no registered cases of violation of the provisions in force regarding the Democratic People's Republic of Korea.

Specialized authorities — the Civil Aviation Administration and the Bulgarian Maritime Administration — are tasked with the implementation and supervision of the restrictions on air and maritime transport.

In view of ensuring strict compliance with restrictive measures introduced in the field of maritime transport, the Bulgarian Maritime Administration has prepared a draft order of its Executive Director, which incorporates the measures envisaged in resolution 2321 (2016).

There is currently no direct air connection between Bulgaria and the Democratic People's Republic of Korea. However, the Civil Aviation Administration of Bulgaria issues flight permits in accordance with regulation 22 of the Minister of Transport, issued on 21 July 1999, and with the relevant international agreements. No flight permits for aircraft flagged by the Democratic People's Republic of Korea landing at or taking off from airports located in the Republic of Bulgaria or flying over its territory have been issued. Accordingly, no maintenance of aircraft flagged by the Democratic People's Republic of Korea has been performed and no fuel has been provided to civil passenger aircraft of that country. In the event of an emergency or other exceptional circumstances related to landing, such aircraft will be subject to tight surveillance and, if refuelling is needed, the restrictions provided for in paragraph 20 of resolution 2321 (2016) will be strictly observed.

In this regard, the competent Bulgarian aeronautical authorities, in collaboration with the airport authorities, have taken the following joint measures and coordinated actions:

- In the event of emergency landing of an aircraft flagged by the Democratic People's Republic of Korea, such aircraft shall be parked in a distant parking place and the area around it will be demarcated. Security officers shall keep the aircraft under permanent observation and control
- All individuals entering into or departing from the Democratic People's Republic of Korea, along with their personal luggage and checked baggage, will be subject to a 100 per cent manual check
- All cargo will be subject to additional inspections in order not to allow any prohibited cargo and aviation fuel in excess of what is necessary for the

relevant flight, including for a standard margin of safety for the flight to reach the territory of the Democratic People's Republic of Korea.

In view of ensuring strict compliance with the prohibitions, restrictions and recommendations of the Security Council regarding the procuring of vessel and aircraft crewing services from the Democratic People's Republic of Korea and the chartering or provision of crew services to the Democratic People's Republic of Korea, the Civil Aviation Administration of Bulgaria has also informed the aeronautics sector in the country of the above-mentioned regulations.

Bulgaria does not provide public financial support for international trade with the Democratic People's Republic of Korea. No insurance coverage is possible for companies that wish to export goods to that country. Protocol No. 34 of 17 February 2017 of the Inter-Agency Task Force for Export Insurance approved the policy of the Bulgarian Export Insurance Agency regarding the management of country risk, which updates the classification of countries at risk and includes the Democratic People's Republic of Korea in the list of countries that are not eligible for export insurance. Furthermore, no insurance or reinsurance services have been provided by Bulgarian insurers, reinsurers, investment firms and management companies to vessels owned, controlled or operated, including through illicit means, by the Democratic People's Republic of Korea.

No nationals of the Democratic People's Republic of Korea work in Bulgaria for the purpose of earning hard currency that the Democratic People's Republic of Korea uses for its nuclear and ballistic missile programmes.

A review has been conducted of cooperation in the field of education and science between Bulgaria and the Democratic People's Republic of Korea, and it has been ascertained that no scholarships have been offered for disciplines that can even remotely entail the risk of contributing to the proliferation-sensitive nuclear activities or ballistic missile-related programmes of the Democratic People's Republic of Korea. Bulgarian universities are duly informed through the Ministry of Education and Science of the new sanctions regarding specialized teaching or training of nationals of the Democratic People's Republic of Korea in Bulgaria, and applications of nationals of the Democratic People's Republic of Korea for training and specialized teaching in Bulgaria are brought to the attention of the Ministry of Education and Science and the Ministry of Foreign Affairs for approval.

Concerning the restrictions on the use of real estate property by the Democratic People's Republic of Korea in the Republic of Bulgaria, the Ministry of Foreign Affairs has submitted to the embassy of the Democratic People's Republic of Korea in Sofia a note verbale informing the embassy that it cannot use the real estate property that it owns in Bulgaria for any purpose other than diplomatic or consular activities and asking it to take measures to cease any such uses.

The Republic of Bulgaria has also taken measures to reduce the number of staff at the diplomatic mission of the Democratic People's Republic of Korea in Sofia. As a result, two officials of the embassy left the country in February 2017.

Accredited diplomats and consular officers of the Democratic People's Republic of Korea in the Republic of Bulgaria have no bank accounts in the country. The diplomatic mission of the Democratic People's Republic of Korea in Sofia has two current accounts, one in local currency (Bulgarian lev) and one in foreign

currency, which is the normal practice for foreign diplomatic missions in the country. Bulgaria has brought up the matter for clarification before the Security Council Committee established pursuant to resolution 1718 (2006).

As regards the implementation of measures envisaged in paragraph 31 of resolution 2321 (2016), Bulgaria has submitted to the Security Council Committee established pursuant to resolution 1718 (2006) an application for the exemption from possible sanctions of operations connected with the bank account of the Bulgarian diplomatic mission in Pyongyang, which is used exclusively and solely for the activities of the diplomatic mission.